



## Exxon Spill Reverberates Through the Canadian Market

### Description

Last Friday was not a good one for residents near Mayflower, Arkansas. An **Exxon Mobile** ([NYSE:XOM](#)) pipeline carrying heavy oil from Illinois to the U.S. Gulf Coast ruptured, spilling thousands of barrels of oil. Exxon has since shut the 96,000 barrel-per-day Pegasus pipeline and cleanup has begun, but this spill could end up having a lasting impact on more than just Mayflower's residents.

### Impact on Canadian companies

Flowing through the Pegasus pipeline was heavy Canadian crude oil. This is the stuff produced by the likes of **Suncor Energy** ([TSX:SU](#)) and **Imperial Oil** ([TSX:IMO](#)).

Canadian crude oil pricing has been under pressure due to a lack of pipeline capacity throughout North America. Just as the differential between Western Canadian Select and West Texas Intermediate had shrunk to its narrowest in more than a year, the closing of the Pegasus line means Canadian oil has lost an outlet for an undetermined amount of time. This could contribute to the differential blowing back out. Bad news for Canadian oil companies.

Although **TransCanada Corp.** ([TSX:TRP](#)) doesn't face the same kind of price risk as the Canadian oil producers, the Exxon spill provides more ammo for those opposed to TRP's Keystone Pipeline expansion. This project will move oil from Alberta to the U.S. Gulf Coast, adding necessary pipeline capacity and keep the differential mentioned above narrow. U.S. politicians are unlikely to ignore this spill, leading to further uncertainty for TransCanada and the producers that Keystone will serve.

Finally, one Canadian company that might actually benefit from the Pegasus rupture and ensuing clean-up is **Badger Daylighting** ([TSX:BAD](#)). Badger's Hydrovac excavator (essentially a big vacuum truck) is used primarily for digging trenches in congested grounds. However, the trucks can also be used for debris removal. A Reuters photo captured one of Badger's trucks on the Pegasus clean-up scene.

### Foolish Takeaway

Regardless of the size of the Exxon spill, its impact could be felt throughout the North American energy

complex. Particularly if it proves to be the final piece of evidence required by Keystone's opposition to block the project. Keystone offers a critical outlet for Canadian oil and if it isn't constructed, it could be a sizeable setback for this country's energy companies.

Nuclear is one source of energy that doesn't require pipelines, and nuclear's fuel, uranium, is currently flying under the radar of most investors. Uranium has the potential to be *the* fuel that powers the 21st century. [Click here now](#) for instant access to our FREE report titled "**Fuel Your Portfolio With This Energetic Commodity**". We think you'll be surprised just how bright the future is for uranium, just how far two Canadian names have fallen, AND **how fast** they could rebound. [Click here now](#) to access this free report, and hop on for the nuclear ride of your life.

[Follow us on Twitter](#) and [Facebook](#) for the latest in Foolish investing.

*Fool contributor Iain Butler does not own shares in any of the companies mentioned in this report at this time. The Motley Fool has no positions in the stocks mentioned above.*

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:IMO (Imperial Oil Limited)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:TRP (TC Energy Corporation)

## Category

1. Investing

## Date

2025/08/26

## Date Created

2013/04/02

## Author

tmfohcanada

default watermark